

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

OFFICE OF THE CITY MANAGER

LTC # **232-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 25, 2016

SUBJECT: **Miami Beach Convention Center Construction Project Update**

The purpose of this LTC is to update the Mayor and City Commission on the Miami Beach Convention Center renovation and expansion project for the month of April 2016. Project dashboard is attached as Exhibit A and a corresponding Budget Summary Breakdown is attached as Exhibit B. In addition, narrative updates are as follows:

BIDDING

97% of the trade costs of the project have been awarded to date for a total of \$398 million of the forecasted budget of \$411.6 million. In April, the Construction Manager awarded trade sub-contracts for ornamental metals, miscellaneous metals, painting, site concrete, asphalt, unit pavers, and pavement markings.

GUARANTEED MAXIMUM PRICE (GMP) DRAW

Direct Purchase

The City continues its direct purchase of materials for the project, heading toward a budgeted sales tax savings of \$6 million. Through April 30 the City has directly purchased \$29.3 million in materials resulting in a sales tax savings of \$1.65 million.

Construction Manager's (CM) Contingency

\$1.61 million of out of the \$29.7 million CM contingency has been utilized for costs mostly related to the need to create a temporary kitchen and for additional dewatering, soil stabilization and structural pile costs.

Taking into account direct purchases and payments for the construction, a total of \$56.1 million, or 10.9%, of the total updated GMP amount of \$513,790,745 has been invoiced through April. For a detailed breakdown, refer to Exhibit B (GMP + Direct Purchases Line Item).

DESIGN STATUS

As mentioned in last month's LTC, the design team is developing a new approach to the life safety design concept which eliminates the need for a smoke control system by providing more exits and closer access to exits and fire-rated corridors. On April 12th, the construction manager was directed to proceed assuming the new design. The formal design documents that include the new approach to life safety were submitted to the construction manager on May 23. The net cost impact is planned to be known in late June or early July.

SCHEDULE

The construction of the project is advancing taking into account the Art Basel 2016 milestone date of November 17, 2016. The change in approach to life safety is being integrated into the schedule, and plans are being modified to meet the Art Basel deadline. Once the construction manager has reviewed the May design documents, a revised schedule will be prepared outlining the plan to meet the Art Basel opening.

CONSTRUCTION

Key construction activities included:

- South Addition: Installation of 88 auger cast in place piles; demolition of southeast mezzanine that faces the Fillmore.
- North Addition: Installation concrete for grade beams and shear walls along North expansion area and the northeast helix structure; installation of bracing for shear walls; continued dewatering and monitoring of arsenic levels; installation of underground electrical and communication conduits; installation of large (48") underground storm piping that takes rainwater from the roof.
- Halls A and B: Continued installation of: roof drains and white silicone roof coating; spiral ducts for air handling system; catwalks; sprinkler piping;; storm water overflow and chill water piping; , high bay lighting and stick-pin insulation in Halls A and B.
- East Concourse: On the interior-completed placement of concrete in elevator pits and started installation of concrete block walls; continued installation of mechanical, electrical, plumbing and sprinkler pipe rough-in; underground plumbing; demolition on the second floor; placement of new concrete floors on grade. On the exterior-installation of the foundation wall that will support the new Washington Ave. curtain wall and fins; demolished the gable roof structure facing 19th street and prepared for the installation of the new flat roof structure; continued the finishing touches on the demolition of the existing façade.

OWNER COSTS

A total of \$38,182,401, or 57.4%, of the owner cost budget has been expended to date. Exhibit B has been updated since the previous monthly report to reflect the allocation of certain insurance costs from Owner's Costs to Contractor's Soft Costs. Specifically, \$4.7 million in general liability wrap insurance that was originally to be purchased directly by the owner was actually purchased by the contractor.

OVERALL COSTS

From an overall project perspective, just under \$94.3 million, or 15.3%, has been spent on the \$615.9 million project.

LOCAL HIRE

Clark Construction continues their commitment to maximizing workforce opportunities for City of Miami Beach and Miami-Dade County residents. A total of 1,329 workers have been employed by the project. This includes all certified payroll from October 2015 to April 30, 2016. The labor force includes full-time, part-time, and temporary labor and also includes daytime and nighttime shifts.

Attached as Exhibit C is a summary of the local hiring efforts, to date, of Clark and its subcontractors. The current report shows a summary of all employees on the project thus far, sorted by zip code. Clark is currently almost 59% local hire by individual (Miami Beach, with a total of 11 employees, and Miami-Dade County with a total of 782). The

sharp increase in this month's total employees in comparison to the month of March (total of 756) is mostly due to the employment of additional workers for weekend work. In addition, several new subcontractors have submitted payroll information.

The report also shows a large percentage of minority labor being employed on the project (62.7% African American, Asian and Hispanic).

PUBLIC INFORMATION

The City continues to dedicate efforts to advise the public of the status of the project through the City's social media outlets including Twitter, Facebook, and Constant Contact. A monthly newsletter and traffic alerts are included as part of the outreach effort. For an example of the posts for the month of April, refer to Exhibit D.

If there are any questions, please do not hesitate to contact myself or Maria Hernandez at Extension 2584.

Attachments:

- Exhibit A – Project Dashboard and Site Photos
- Exhibit B – Budget Summary Breakdown
- Exhibit C – Clark Construction Local Hiring Summary
- Exhibit D – Public Outreach Report

JLM / MH

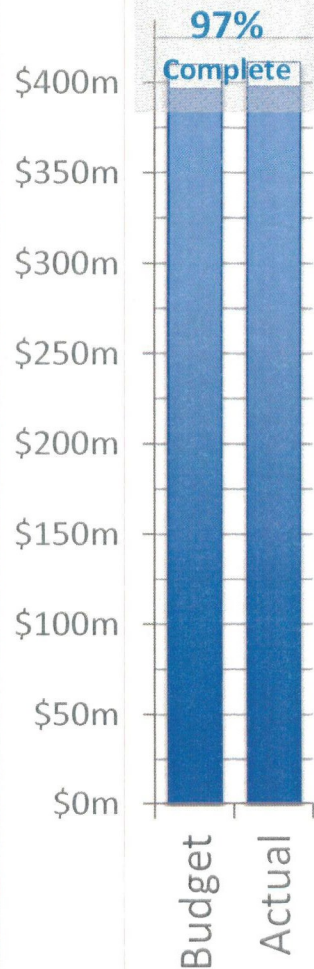
Convention Center Renovation & Expansion Project Dashboard

EXHIBIT A

April 30, 2016



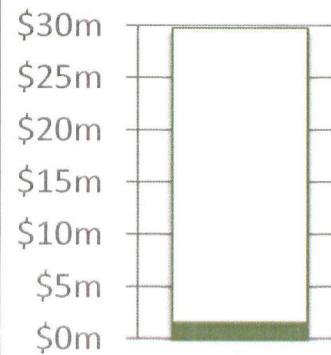
Trade Bidding



Net GMP Draw



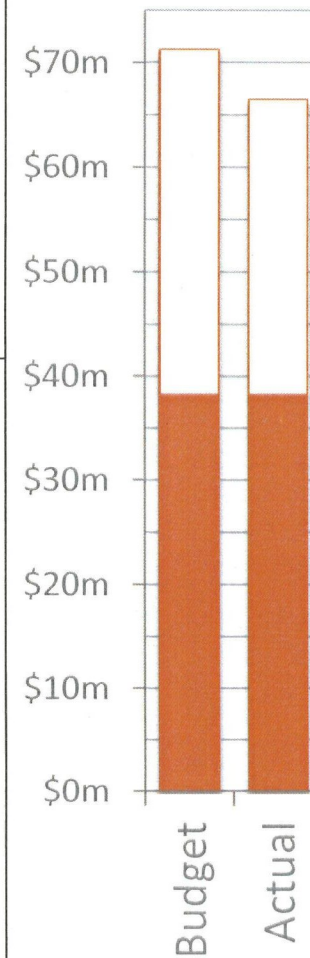
CM Contingency



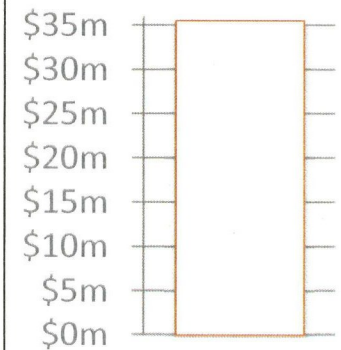
Construction Notes:

- 97% of trades have been bid. Approximately \$13M in trade bids remaining.
- 10.9% of the total GMP budget has been expended.
- \$1.6M of CM contingency has been utilized. Refer to LTC narrative for description.

Owner Costs



Owner's Contingency



Owner Budget

Notes:

- 57% of owner budget has been expended.
- 0% of the owner's contingency budget has been expended.

Other Notes:

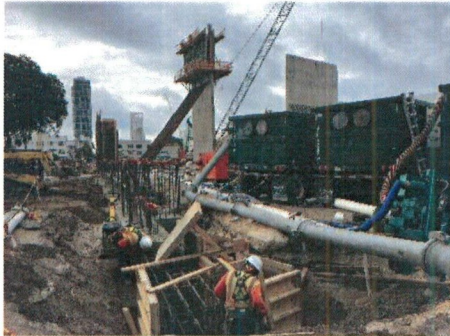
- All events have occurred as scheduled.
- Revision to life safety system was submitted for review to Authority Having Jurisdiction (AHJ) on 5-24-16.

Convention Center Renovation & Expansion

Project Dashboard

EXHIBIT A

April 30, 2016



O-033.01
North Loading Dock - View E from Grids 2 & L.3



O-033.02
Elevs 02.01 & 02 - View SW from Grids Q.451 & 2.95



O-033.03
North Loading Dock - View E from Grids Q.6 & 3.815



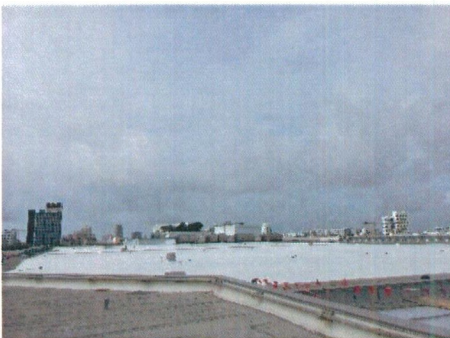
O-033.04
Hall A - View SW from Grids 22 & G



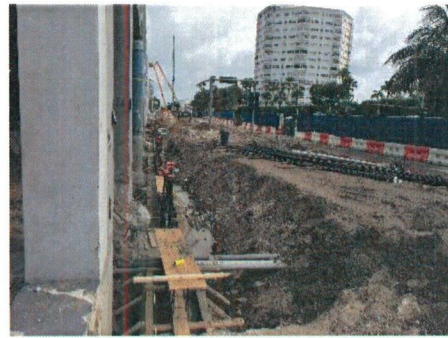
O-033.05
East Conc, Level 2 - View S from Grids 14.72 & S.75



O-033.06
East Conc, Level 2 - View N from Grids 22.67 & T.1



O-033.07
Hall B Roof - View S from Grids S & 18



O-033.08
East Con, Ext Façade - View N from Grids U & 24



O-033.09
South Addition - View W from Grids U & 25

Convention Center Renovation & Expansion

Project Dashboard

April 30, 2016

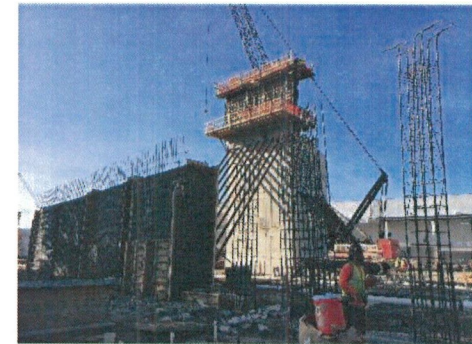
EXHIBIT A



O-034.01
North Loading Dock – View S from Grids 3 & J



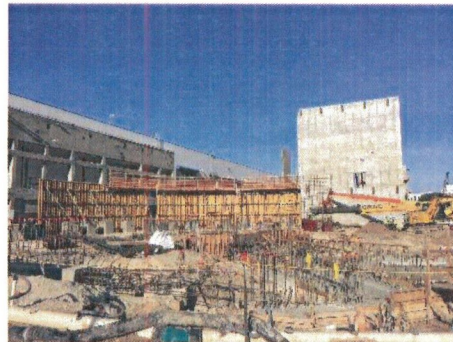
O-034.02
North Loading Dock – View SW from Grids 2 & L.3



O-034.03
North Loading Dock – View SE from Grids M & 1



O-034.04
North Loading Dock – View S from Grids P.15 & 2



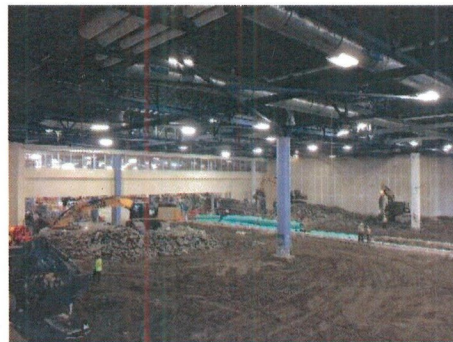
O-034.05
North Loading Dock – View W from Grids U & 4



O-034.06
Hall A – View E from Grids N & 9



O-034.07
East Conc, Level 1 – View SW from Grids T & 8.32



O-034.08
Hall A – View SW from Grids S & 12



O-034.09
South Addition – View E from Grids 25 & Q.31

EXHIBIT B

Miami Beach Convention Center Expansion & Renovation Project

Approved Budget				Dashboard Summary				
	10/7/15 Original Budget	% Total	Budget Variance	Current Forecasted Budget	Current Budget %	Current Expenses	% Spent	Balance Remaining
Trade Costs	\$410,205,803	66.62%	1,455,761	\$411,661,564	66.84%			
Direct Purchase	0	0.00%	-29,396,035	-29,396,035	-4.77%			
Change Orders	0	0.00%	0	0	0.00%			
Subtotal	410,205,803	66.62%	-27,940,275	382,265,528	62.07%	36,695,177	9.60%	345,570,352
Contractor Soft Costs								
General Conditions (Clark Staffing)	24,465,886	3.97%	0	24,465,886	3.97%	4,150,000	16.96%	20,315,886
General Requirements	14,760,103	2.40%	57,633	14,817,736	2.41%	3,863,138	26.07%	10,954,598
Payment & Performance Bond	3,708,000	0.60%	-195,990	3,512,010	0.57%	3,503,262	99.75%	8,748
GL Insurance	1,807,650	0.29%	6,074	1,813,724	0.29%	219,823	12.12%	1,593,900
CMr Fees (3.8%)	17,288,003	2.81%	65,987	17,353,989	2.82%	1,892,974	10.91%	15,461,015
CCIP GL Wrap	0	0.00%	4,754,575	4,754,575	0.77%	4,754,575	100.00%	0
CM Contingency	29,747,613	4.83%	-1,612,349	28,135,265	4.57%	0	0.00%	28,135,265
Base GMP	501,983,058	81.53%	-24,864,344	477,118,714	77.47%	55,078,949	11.54%	422,039,764
Other GMP Items (Including all mark ups)								
P-Lot Park (allowance)	10,000,000	1.62%	0	10,000,000	1.62%	0	0.00%	10,000,000
Storm water Drainage Culvert	3,475,000	0.56%	0	3,475,000	0.56%	0	0.00%	3,475,000
Subtotal	13,475,000	2.19%	0	13,475,000	2.19%	0	0.00%	13,475,000
Total GMP (Clark)	515,458,058	83.72%	-24,864,344	490,593,714	79.66%	55,078,949	11.23%	435,514,764
Direct Purchase Tax Savings	-6,000,000	-0.97%	0	-6,000,000	-0.97%	-1,653,181	27.55%	-4,346,819
Total Net GMP	509,458,058	82.74%	-24,864,344	484,593,714	78.68%	53,425,768	11.02%	431,167,945
Direct Purchases	0	0.00%	29,197,031	29,197,031	4.74%	2,701,915	9.25%	26,495,117
GMP + Direct Purchases	509,458,058	82.74%	4,332,687	513,790,745	83.43%	56,127,683	10.92%	457,663,062
Owner's Cost								
City Staffing & Expenses	1,561,000	0.25%	793,318	2,354,318	0.38%	894,190	37.98%	1,460,128
Consultant Fees (SAG)	1,047,725	0.17%	0	1,047,725	0.17%	766,291	73.14%	281,434
Owner's Rep (Hill)	5,585,673	0.91%	0	5,585,673	0.91%	749,742	13.42%	4,835,931
Design Fees (Fentress)	26,669,442	4.33%	0	26,669,442	4.33%	21,191,441	79.46%	5,478,001
Owner's Cost Estimator (US Cost)	400,030	0.06%	66,448	466,478	0.08%	386,371	82.83%	80,107
Pre GMP CM Fee (Clark)	2,594,073	0.42%	0	2,594,073	0.42%	1,556,444	60.00%	1,037,629
Testing & Inspections	2,328,943	0.38%	0	2,328,943	0.38%	157,009	6.74%	2,171,935
Permit & Plan Reviews	2,400,000	0.39%	0	2,400,000	0.39%	1,677,277	69.89%	722,723
Other	847,041	0.14%	4,070,978	4,918,019	0.80%	535,841	10.90%	4,382,178
Public Art (AIPP)	6,900,000	1.12%	160,797	7,060,797	1.15%	7,060,797	100.00%	0
MBCC FF&E	6,830,945	1.11%	0	6,830,945	1.11%	0	0.00%	6,830,945
Insurance:								
OCIP GL Wrap	9,000,000	1.46%	-9,000,000	0	0.00%	0		0
Builder Risk/Building (net)	1,600,000	0.26%	-450,000	1,150,000	0.19%	2,587,503	225.00%	-1,437,503
Professional Liability Umbrella	1,000,000	0.16%	-382,117	617,883	0.10%	617,883	100.00%	0
Carl Fisher Renovation Allowance	2,500,000	0.41%	0	2,500,000	0.41%	1,614	0.06%	2,498,386
Subtotal	71,264,872	11.57%	-4,740,576	66,524,296	10.80%	38,182,401	57.40%	28,341,895
Total Without Owner's Contingency	580,722,930	94.32%	-407,889	580,315,041	94.23%	94,310,084	16.25%	486,004,957
Owner's Contingency	35,000,000	5.68%	555,338	35,555,338	5.77%	0	0.00%	35,555,338
Total Owner's Contingency	35,000,000	5.68%	555,338	35,555,338	5.77%	0	0.00%	35,555,338
Total Budget With Owner's Contingency	\$615,722,930	100.00%	\$147,449	\$615,870,379	100.0%	\$94,310,084	15.31%	\$521,560,295

1: The property insurance portion of the Builders Risk policy to be reimbursed \$2,000,004 by CMB Risk Dept.

2: The bond offering resulted in additional proceeds that were not included in the original budget.

3: A portion of the savings from insurance was allocated to AiPP to provide for actual costs. Pursuant to Sec. 82-587 of the CMB Code, the total amount allocated to AiPP has been transferred to the Art in Public Places Fund.

4: The remaining insurance savings is temporarily allocated to "Other" until other budget line items are refined.

5: Insurance Savings as a result of implementing a CCIP (Contractor Controlled Insurance Program) rather than an OCIP (Owner Controlled Insurance Program)

6: A portion of the savings from insurance was allocated to City Staffing to cover costs from Fiscal Year 2014 through December 2018. The previous budget estimate included only Fiscal Years 2015 through part of 2018.

7: Additional Cost Estimating services to support GMP reconciliation negotiations with Construction Manager – Clark Construction.

8: Savings from Clark Bond on Direct Purchases executed to date. These savings are added to Owner's Contingency.

9: See detail in Memo Narrative under Owner's Costs.

EXHIBIT C



Project: #113451 - Miami Beach Convention Center
Project Code: 2015-29028 Contractor(s): Multiple Contractors Craft(s): Multiple Crafts

CLARK - #113451 - MIAMI BEACH CONVENTION CTR LOCAL WORKER UTILIZATION REPORT BY PROJECT

Area	Total Number of Workers	% of Total Workers	Total Hours Worked	% of Total Hours Worked	Wages w/ Benefits	Wages w/o Benefits	Number of Apprentices	Number of Journeymen	Number of Foreman	Number of Owner Operators	Number of Super
Zip Lists											
Miami Beach	11	0.83 %	1,527.00	0.63 %	\$31,806.47	\$31,431.05	2	9	0	0	0
Miami Dade County	782	58.84 %	124,751.60	51.79 %	\$2,483,274.34	\$2,296,985.63	31	751	0	0	0
Employees Not In Specified Zip Lists	536	40.33 %	114,583.24	47.57 %	\$3,189,934.99	\$2,867,592.09	23	512	0	1	0
Demographic Profile											
African American	304	22.87 %	61,182.43	25.40 %	\$960,809.04	\$938,671.18	11	293	0	0	0
Native American	0	0%	0	0%	0	0	0	0	0	0	0
Asian	4	0.30 %	91.00	0.04 %	\$2,542.52	\$2,283.52	0	4	0	0	0
Hispanic	526	39.58 %	83,703.68	34.75 %	\$1,912,657.89	\$1,811,209.68	5	521	0	0	0
Caucasian	151	11.36 %	24,856.38	10.32 %	\$802,030.11	\$658,783.58	8	142	0	1	0
Other	344	25.88 %	71,028.35	29.49 %	\$2,026,976.25	\$1,785,060.81	32	312	0	0	0
Male	1283	96.54 %	234,156.09	97.22 %	\$5,570,448.10	\$5,074,441.62	56	1226	0	1	0
Female	46	3.46 %	6,705.75	2.78 %	\$134,567.70	\$121,567.15	0	46	0	0	0
Total Employees	1,329		240,861.84		\$5,705,015.80	\$5,196,008.77	56	1272	0	1	0

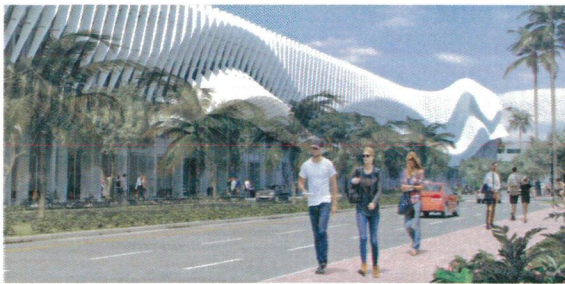


EXHIBIT D



April 2016 - Social Media/Newsletter Report

Miami Beach Convention Center Renovation Project Prepared by:



Public Information Officer, Anneleise M. Sanchez

Social Media Posts for April 2016: Twitter/Facebook

Going to an event at
[@TheMiamiBeachCC](#)? Halls C & D are
open during this phase of
construction. [#MBCCFuture](#)



4/15/16, 3:55 PM

Posted on Twitter April 16, 2016



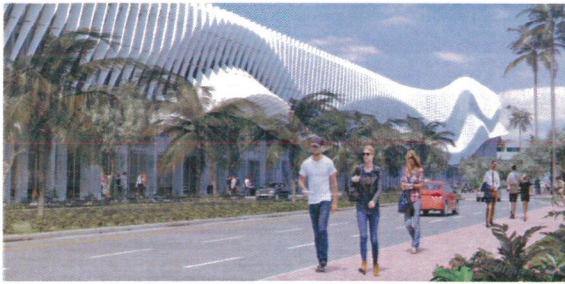
City of Miami Beach
[@MiamiBeachNews](#)

Update: Halls A&B have completed
demolition stage & now installing new
ceilings, plumbing & electric
[#MBCCFuture](#)



4/16/16, 3:55 PM

Posted on Twitter April 16, 2016

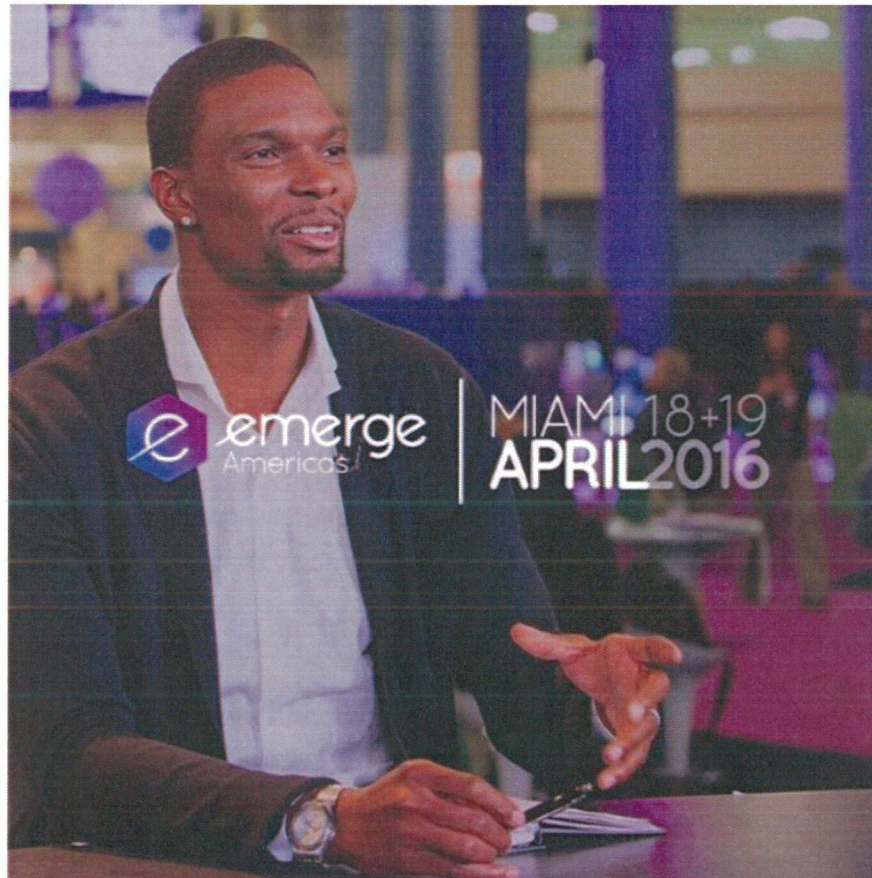


MIAMI BEACH
CONVENTION CENTER



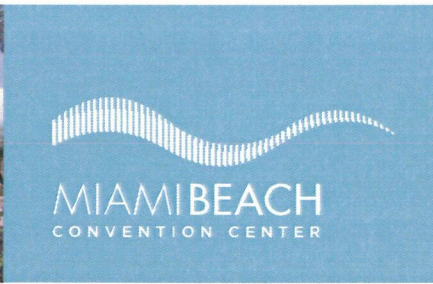
City of Miami Beach ✓
@MiamiBeachNews

Welcome @eMergeAmericas to
#MiamiBeach #MBCCFuture



4/18/16, 9:45 AM

Posted on Twitter April 18, 2016



City of Miami Beach @MiamiBeac... 4/18/16
 . @ledzeppelin had a sold-out show at
 @TheMiamiBeachCC in 1970 for a total of
 \$5.50 per ticket! #MBCCFuture



Posted on Twitter April 18, 2016

MiamiBeachConvCenter Retweeted



City of Miami Beach @MiamiBeachNews · Apr 22
 Excited to keep seeing progress? @TheMiamiBeachCC is on its way to
 becoming a first class destination #MBCCFuture



Posted on Twitter April 22, 2016



City of Miami Beach @MiamiBeac... 4/28/16

Did you know in 1964, Jackie Gleason moved his show to @TheMiamiBeachCC? #TBT #MBCCFuture



Posted on Twitter April 28, 2016



City of Miami Beach @MiamiBeac... 4/28/16

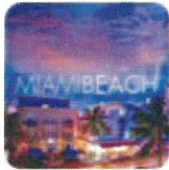
We're #GoingGreen at @TheMiamiBeachCC #MBCCFuture #MBRisingAbove

Our new design

Trades over **7** acres of pavement for usable green spaces that absorbs storm water.



Posted on Twitter April 28, 2016

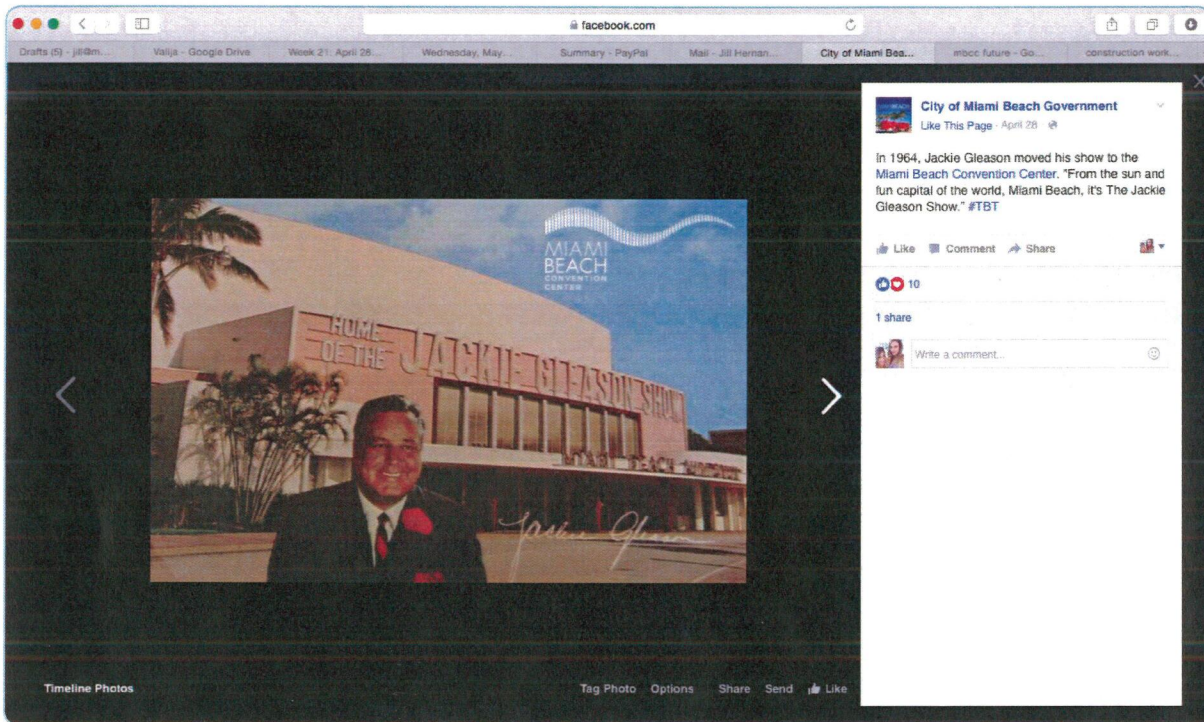
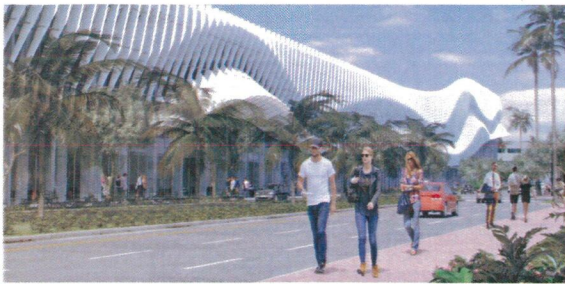


City of Miami Beach @MiamiBeac... 4/28/16

The traffic shift along Washington Ave will continue to be 1 NB & 1 SB travel lane in each direction #MBCCFuture



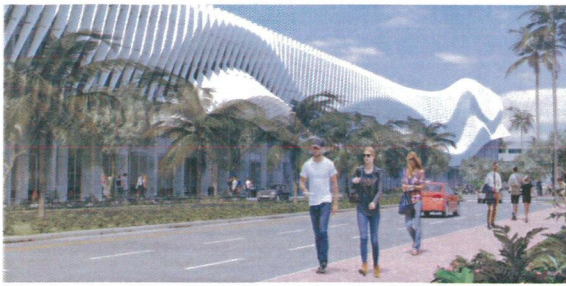
Posted on Twitter April 28, 2016



Posted on Facebook April 28, 2016



Posted on Facebook April 28, 2016



Newsletter & Infographic: Sent Through Constant Contacts

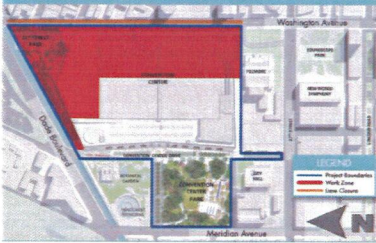
Miami Beach Convention Center Renovation & Expansion April 2016 Newsletter



East Facade Improvements are in Progress! Update on Washington Avenue Traffic Shift

As a part of the ongoing Convention Center project, the contractor will continue renovations throughout the project area. The traffic shift along Washington Avenue will continue to be one northbound and southbound travel lane in each direction, between 18 Street and 21 Street. All lanes are scheduled to reopen by May 15, 2016.

PROJECT AREA



MBCC in Motion!

Carbons about the progress we have made! Our contractor and City staff work tirelessly to ensure that the project is completed on time and within budget. We appreciate your patience while we work on building a state-of-the-art facility for the use of all residents. Check out the latest improvements made at the Convention Center!



Construction Update

- Installing the main walls and conducting foundation work at the new Grand Ballroom addition located on the north side of the building.
- Working on underground utilities at various locations.
- Installing structural steel and catwalks as well as plumbing and electrical in Hall AB.
- Continuing demolition of the east facade of the Convention Center along Washington Avenue between 18 Street and 21 Street.
- Continuing the traffic shift along Washington Avenue between 18 Street and 21 Street. This schedule is subject to change due to weather, special events, or unforeseen circumstances.

Open For Business – Event Schedule

DATE:	LOCATION:	EVENT NAME:
4/18/2016 - 4/20/2016	MBCC	emerge Americas Technology Conference
5/10/2016 - 5/13/2016	MBCC	Neison & Ojet Design Show
5/20/2016 - 5/22/2016	MBCC	South Florida Boat Show
6/6/2016 - 6/9/2016	MBCC	IE Miami
6/10/2016 - 6/12/2016	MBCC	World Vapor Expo
7/1/2016 - 7/4/2016	MBCC	Florida Supercon



History Corner:

We're taking you back in time when Lat Zappier had a sold-out performance at the MBCC and guests ran through the doors looking for a great time. Tickets back then went only \$2.50!

In 1966, Muhammad Ali defeated Sonny Liston for his first Heavyweight Championship at the MBCC.

Miami Beach Rising Above

MBCC COMBATS SEA-LEVEL RISE

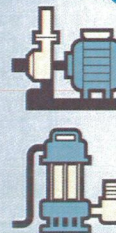
The MBCC Reimagined plans are addressing sea-level rise by raising the following critical building systems above the proposed new flood level:



Emergency generators, building communication systems, electrical switchgear and panels, and emergency responder radio reinforcement systems.



To reduce storm water runoff, the new design removes over seven acres of pavement and hardscape, and replaces it with usable green spaces that absorb storm water, an increase to the overall pervious area of the campus by 245 percent.



Two on-site storm water pump stations are being proposed with the capacity to each pump 80,000 gallons per minute. Pollution control devices will be placed at each station, which will discharge into Collins Canal. These stations will be used to manage drainage in the City Center area.